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SUPERMARKET BUSINESS

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JULY 1986

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PART ONE
OF TWO PARTS

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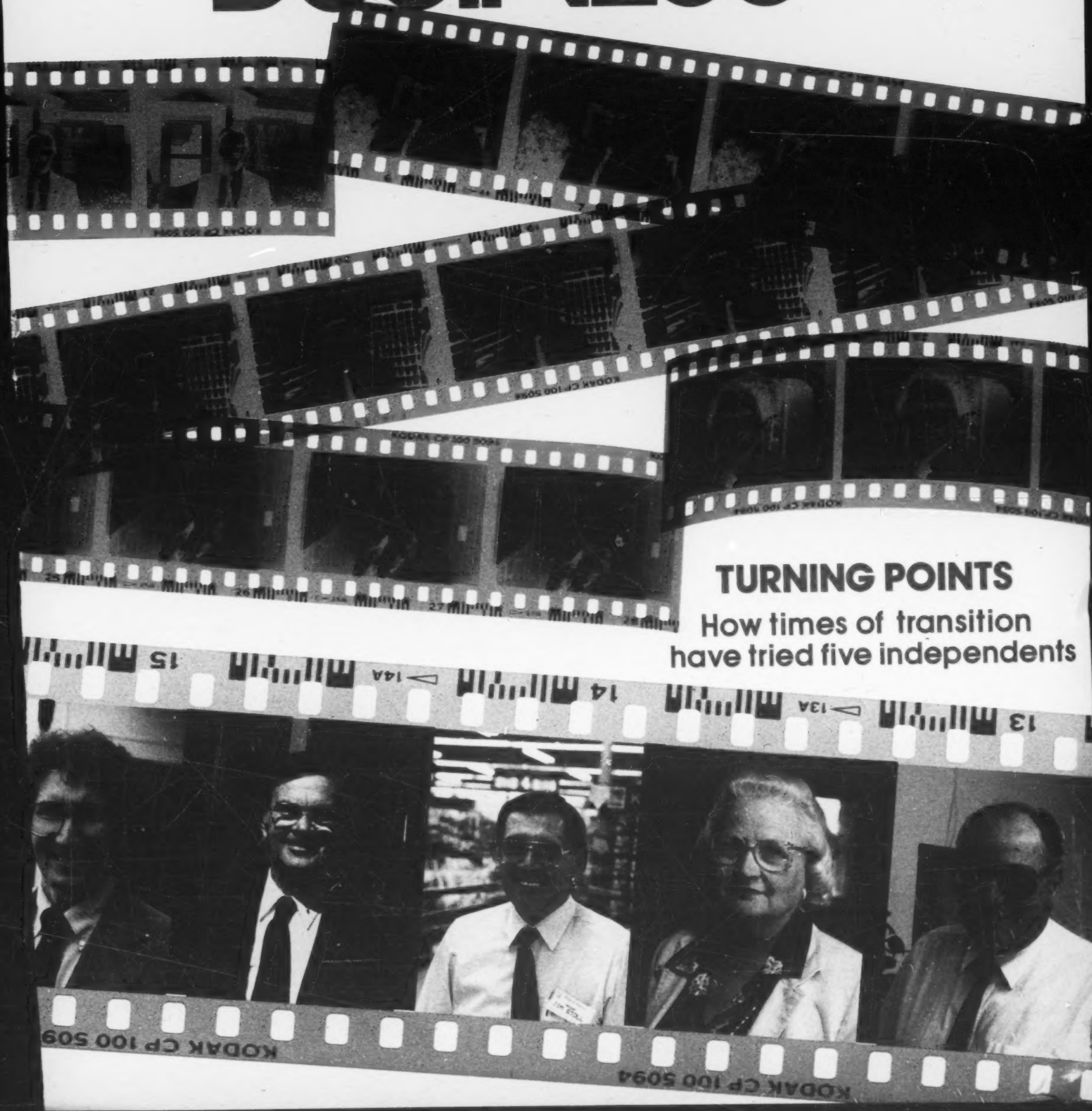
NONFOODS BUSINESS
In Selected Editions Only



TURNING POINTS

How times of transition have tried five independents

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BPA ABP Association Of Business Publishers, Inc.

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SUPERMARKET BUSINESS

VOLUME 41
NUMBER 7

PART ONE
OF TWO PARTS

JULY 1986

TURNING POINTS: A PASSION FOR SURVIVAL 21
KEVIN COUPE, ASSOCIATE EDITOR

Five independent supermarket retailers who have been profiled in SUPERMARKET BUSINESS over the past five months, offer their own formulas for survival in the face of personal changes and challenges.

TURNING POINTS: DOWN THE ROAD WITH 'MIZ' MOSELEY 30
KEVIN COUPE

Elizabeth Moseley's life has been filled with the joy of work and the pain of tragedy—all of it concerned with her supermarkets. Fifth in a series.

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PINPOINTING THE HOT NEW PRODUCTS/PETER LEVITEN 5B

Retailers, faced with a bewildering number of product introductions, line extensions and reformulations in GM/HBA, pick out some of their most successful—or noteworthy—new items.

'WE JUST CAN'T MAKE IT ON GROCERIES ANYMORE!'/KEVIN COUPE & BOB HUGHES 11B

An independent in northern Michigan, faced with hypermarket competition, turns to nonfoods as a successful means of doing combat.

ALSO IN NONFOODS BUSINESS:
SAMI UPDATE 19B
NEW PRODUCTS 26B, 28B, 30B

*In selected editions only

THE VIEW FROM YARDLEY'S BACKYARD/PETER LEVITEN, ASSOCIATE EDITOR 37

Jim McCaffrey's Yardley Thriftway is the first commercial development allowed in Yardley, Penn., in 50 years. But company's coming this Thanksgiving, in the form of Giant Food, directly behind the store.

CIRCUS MAXIMUS/KEVIN COUPE & BOB HUGHES 47

Michigan's Pinny Food Center competes with a nearby Meijer Thrifty Acres by turning the store into a three-ring circus of promotions. But that doesn't mean they're just clowning around.

CHECKOUT: PUT A LITTLE LOVE IN YOUR CART 70
KEVIN COUPE

For some people, Singles Night at a Cherry Hill, N.J., Shop-n-Bag may lead to a walk down a different kind of aisle.

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NonFoods BUSINESS

WHAT'S IN, WHAT'S OUT: PINPOINTING THE HOT NEW GM/HBA PRODUCTS/PETER LEVITEN 5B

Although they are faced with an overwhelming amount of choice in new general merchandise and health and beauty aids products, retailers have come up with some notable successes, and why they think they work.

'WE JUST CAN'T MAKE IT ON GROCERIES ANYMORE!'/KEVIN COUPE & BOB HUGHES 11B

Pinconning, Michigan's Pinny Food Center, faced with heightened competition from a giant hypermarket, has turned to canny merchandising of nonfoods as an effective means of doing combat.

SAMI UPDATE 19B

AD INDEX 24B

NEW PRODUCTS 26B

Pinny Food Center **11B**

BENYLIN
EXTENDS RELIEF TO
STUFFY NOSES
Benylin
Decongestant
Cough Formula
4 FL OZ PARKE-DAVIS
Colds coughs nasal congestion Whenever upper respiratory congestion and cough coexist, welcome relief is available with BENYLIN® Decongestant Cough Formula This exclusive formulation combines the nonnarcotic antitussive effectiveness of diphenhydramine with the professionally preferred nasal decongestant pseudoephedrine
To expand your rapidly growing BENYLIN sales, extend relief to stuffy noses Stock up on BENYLIN Decongestant Cough Formula now and watch it move off the shelf
BENYLIN
DECONGESTANT COUGH FORMULA
PARKE-DAVIS

SAMI UPDATE

HBA Food Store Sales Exceed Volume of a Year Ago But Lag Behind Total Food Store Gain Rate

The sales performance of health and beauty aids for the April period rose slightly over the same period a year ago. Not much, but enough to provide hope for a continued sales increase.

BY ALAN MILLER JR.

During the four weeks ending April 25, 1986, total unit retail sales volume in all 50 health and beauty aid (HBA) product categories tracked by SAMI moved 1.2 percent ahead of the corresponding period a year ago. This performance, although by no means a reason to stand up and cheer, represents a slight step in the right direction, correcting the modest downturn recorded during SAMI's March reporting period.

During the April 1985 reporting period, total unit food store volume in these same HBA product categories rose 0.6 percent over the 1984 level for the four-week period. On a dollar basis, the increase was a respectable 4.6 percent, exceeded only by the 4.8 percent gain among dry grocery/nonfood categories.

Dry grocery/food dollar volume was 3.2 percent ahead of the 1985 pace, as was volume in the refrigerated section of the store among warehoused (vs. direct store delivery) items. The weakest link in the picture is found among frozen foods, which registered a four-week loss of 0.9 percent in pounds and a decline of 2 percent on a dollar basis.

As was true in the preceding month, the number of HBA product groups with gains was the same as those with losses—four in each case. Baby needs and oral hygiene encountered the most serious sales reverses, where the loss rates were more than 5 percent. Declines of less than 1 percent were incurred among deodorants and first aids.

Skin care aids had the best growth rate among product groups, with a 7.3 percent increase, while a gain of almost 3 million units for hair care needs resulted in a product group increase of 6.4 percent. Rounding out the product group picture were gains of 0.5 percent for shaving needs and 3.2 percent for proprietary remedies.

Gains over losses

On a product category measurement basis, gains outnumbered losses 27 to 23. During the preceding month, losses had outpaced the gains, 28 to 22.

Four categories had four-week gains of more than 20 percent: lip care products (+25.8 percent), hair setting needs (+23.5 percent), appetite suppressants (+21.1 percent) and deodorant and talcum powder (+20.6 percent). There were also four categories with loss rates of more than 10 percent: baby powders (−18 percent), infant clothes (−16.6 percent), tranquilizers (−13.4 percent) and feminine douches (−10 percent).

The only category of baby needs to produce a gain for the four weeks over the 1985 volume level was nursing supplies, which can usually be counted on to increase. An 18 percent loss for baby powders was large enough to push the annual volume into the loss column at −0.6 percent.

Unit sales of infant clothes fell 16.6 percent, so this category now has double-digit loss rates for both the 12- and 52-week intervals. Baby oils, creams and lotions declined 3.8 percent, and annual volume for these products is only 0.1 percent ahead of sales in the corresponding April 1985 period.

Half of the personal deodorant categories had gains, half had losses. The losses outpaced the gains, however, and the product group as a whole showed a loss of 0.5 percent, compared to the same month a year ago. A continuing growth

SAMI UPDATE

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 3/29/86	4 WEEKS ENDING 3/29/86	4 WEEKS ENDING 4/26/86
BABY NEEDS	– 1.8%	– 4.2%	– 3.4%
Baby Powders	+ 1.5	– 3.7	– 9.0
Baby Oils, Creams & Lotions	– 3.6	– 0.9	– 3.5
Infant Clothes	– 10.7	– 12.8	– 10.6
Nursing Supplies	+ 3.7	– 1.2	+ 2.8
DEODORANTS	+ 4.2%	+ 3.1%	– 0.5%
Sprays	– 2.2	– 1.6	– 6.1
Roll-Ons	– 8.1	– 1.4	– 1.5
Stick Deodorants & Pads	+ 9.9	+ 13.0	+ 6.5
Creams	– 17.5	– 11.1	– 9.5
Deodorants & Talcum Powders	+ 14.0	+ 17.1	+ 20.6
Feminine Hygiene Deodorants	– 1.4	+ 4.4	+ 2.6
Foot Deodorants & Athlete's Foot Remedies	+ 7.1	+ 4.6	+ 3.1
Feminine Douches	– 9.0	– 6.3	– 10.0
FIRST AID	+ 1.8%	– 3.7%	– 0.8%
Antiseptics	– 1.7	– 5.7	+ 2.5
First Aid Products	+ 1.1	– 2.2	– 1.7
HAIR CARE NEEDS	+ 3.6%	– 3.1%	+ 6.4%
Shampoos	+ 1.5	– 2.1	+ 0.9
Hair Sprays	+ 16.9	– 6.2	+ 17.6
Hair Conditioning Rinses	– 2.9	– 4.6	+ 7.6
Hair Setting Needs	+ 24.7	+ 20.1	+ 23.5
Home Permanent Kits	– 10.1	– 12.8	– 9.9
Hair Colorings	– 3.8	– 7.2	+ 2.6
Hair Dressing Needs	+ 7.9	+ 2.5	– 0.2
ORAL HYGIENE	+ 3.0%	– 0.2%	– 3.7%
Toothpaste & Powders	+ 2.6	– 0.1	– 8.7
Mouthwashes	+ 7.7	+ 6.1	+ 7.1
Breath Fresheners	– 4.8	– 11.9	– 4.0
Denture Cleaners	– 0.2	– 3.2	– 9.3
Denture Adhesives	– 3.8	– 6.4	– 4.6
Toothbrushes	+ 3.4	– 1.5	– 4.6
PROPRIETARY REMEDIES	– 0.5%	+ 3.3%	+ 3.2%
Analgesics	+ 3.9	+ 3.6	+ 7.9
Internal Antiseptics	– 6.3	+ 0.3	+ 5.4
External Antiseptics	+ 2.9	– 3.8	+ 7.8
Cold Tablets	– 2.5	+ 5.1	+ 2.8
Head Sprays–Drops–Inhalers	– 10.5	– 7.3	– 6.3
Chest Rubs	– 5.4	+ 3.3	– 5.4
Cough Remedies	+ 4.0	+ 9.8	– 3.8
Laxatives	– 6.4	– 4.4	+ 3.8
Sleeping Aids	+ 6.5	+ 4.3	+ 1.9
Stomachics	– 10.4	– 10.5	– 10.4
Synthetic Vitamins	– 0.5	+ 3.4	+ 3.5
Eye Care Products	+ 10.1	+ 6.3	+ 11.6
Appetite Suppressants	+ 10.6	+ 17.1	+ 21.1
SHAVING NEEDS	– 0.2%	– 4.6%	+ 0.9%
Shaving Creams	+ 10.0	+ 4.2	– 5.0
Pre-Shave Lotions	+ 4.6	– 7.0	– 2.9
After-Shave Lotions	+ 2.7	– 2.7	– 4.1
Razor Blades	– 3.6	– 9.3	– 1.0
Razors & Blades	– 12.6	– 7.0	+ 3.0
SKIN CARE AIDS	– 1.3%	+ 2.2%	+ 7.7%
Hand & Body Creams & Lotions	– 3.3	+ 1.0	+ 8.6
Facial Preparations	– 4.6	– 3.4	+ 3.6
Lip Care Products	+ 11.3	+ 26.9	+ 25.8
Suntan Lotions & Oils	+ 2.2	+ 4.0	+ 10.2
Cosmetic & Medicated Skin Aids	– 5.4	– 7.5	– 4.9
TOTAL ALL CATEGORIES	+ 0.9%	+ 0.3%	+ 4.2%

pattern for stick deodorants and antiperspirants (+6.5 percent) has helped to trigger losses among sprays (–6.1 percent), roll-ons (–1.5 percent) and creams (–9.5 percent).

Completing the loss picture is the drop of 10 percent for feminine douches, an acceleration of the 6.3 percent decline recorded in the March reporting period. On the plus side of the ledger, deodorant and talcum powders gained 20.6 percent, resulting from sales of Shower to Shower line extensions. Other gains within the deodorant group were foot deodorants and athlete's foot remedies (+3.1 percent) and feminine hygiene deodorants (+2.6 percent).

First aid losses

After suffering a loss of 5.7 percent in March, first aid antiseptics bounced back in April with a gain of 2.5 percent. This wasn't enough, however, to erase the loss of 1.7 percent for other first aid products (bandages, gauze, cotton balls, swabs and tapes); the sales for the first aid group fell 0.8 percent behind last year's level.

The solid performance in the hair care needs product group (+6.4 percent) can be chiefly attributed to the outstanding trends for hair setting needs (+23.5 percent) and hair sprays (+17.6 percent) by established brands and new products/line extensions. Shampoos posted a gain of 0.9 percent after a loss in March of 2.1 percent. Sales of home permanent kits continued to fall (–9.9 percent), but hair coloring progressed from a loss of 7.2 percent in March to a gain of 2.6 percent in April.

Hair conditioning rinses also gained 7.6 percent after a loss of 4.6 percent in the preceding reporting period. Sales of hair dressing needs (male, unisex and ethnic grooms) were virtually even with year-ago volume for the April period.

Once again, the only hygiene category to top last year's sales level was mouthwash, which rose 7.1 percent, an increase over the 6.2 percent recorded in March. The loss rate for toothpaste (–8.7 percent) was a slight improvement over the 9.1 percent drop in March, but the loss rate for denture cleansers (–6.3 percent) was higher than that in March.

Losses among breath fresheners (–4.0 percent), denture adhesives (–4.6 percent) and toothbrushes (–4.6 percent) all reflect improvements over March losses.

The gain of 3.2 percent among 13 categories of proprietary remedies combined is about the same as the 3.3 percent gain reported last month. Trends in product categories, however, vary from month to month. External analgesics, which had been down 3 percent in March, moved ahead 7.9 percent in April. On the other hand, both chest rubs and cough remedies, which had gains in March, had losses of 5.4 percent and 3.8 percent respectively in April.

The trend was reversed in the laxative and stool softener category, where a 4.4 percent loss in March was converted to a 2.8 percent gain in April.

Cosmetics fall

Eye care products once again showed a double-digit gain (+11.6 percent) after increasing only 5.3 percent in March. Appetite suppressants showed an accelerated gain, with sales 21.1 percent ahead of last year. The April sales of nasal sprays/drops/inhalers (–6.3 percent) and synthetic vitamins (+3.5 percent) were about the same as March postings.

The total unit volume among five shaving needs categories showed combined improvement, although declines were still reported for aftershave lotions (–4.1 percent), preshave lotions (–2.9 percent) and razor blades (–1.0 percent). These losses were more than offset by a 6 percent gain for shaving creams and modest gains in sales of razors and blades. The continuing strong performance of disposable systems kept the loss for sales of all razor blades to only 1 percent.

Saving the best for last, only one category of skin care aids declined in April. Cosmetic and medicated skin aids fell 4.9 percent, but even this was an improvement over the 7 percent loss in March.

The other four categories in this product group all posted gains ranging from 25.8 percent for lip care products to 3.6 percent for facial preparations, which had dropped 3.4 percent in March. Sales of hand and body creams and lotions increased over 450,000, or 8.6 percent in April. Seasonal selling of suntan lotion and oil was strong, and sales rose 10 percent over April of last year. ■